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October 5, 1998

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

The Honorable William E. Kennard
The Honorable Susan Ness
The Honorable Michael K. Powell
The Honorable Harold W. Furchtgott-Roth
The Honorable Gloria Tristani
1919 M Street, N.W.
Washington, D.C. 20554

Re: MobileMedia Corporation, *et al*
Supplement to Applications for Transfer of Control and Petition to Terminate and For Special Relief (WT Docket No. 97-115)

Dear Mr. Chairman and Commissioners:

MobileMedia Corporation, Debtor-in-Possession ("MobileMedia"), and Arch Communications Group, Inc. ("Arch"), hereby submit a supplement to the Applications for Transfer of Control and Petition to Terminate and For Special Relief (the "Application"), submitted to the Commission on September 2, 1998. This supplement notifies the Commission of certain modifications to the proposed transaction described in the Application. These modifications are being reported in the interests of ensuring that the Application continues to be accurate and complete, as required under Section 1.65 of the Commission's Rules.

On September 3, 1998, the parties modified the Plan of Reorganization, the Merger Agreement and certain related agreements to incorporate a Market Price Protection Mechanism. Under the Merger Agreement as initially executed, MobileMedia's unsecured creditors would have owned between 65.6% and 69.3% of the equity of the combined entity. Under the modified transaction (which contemplates the issuance of a greater number of Arch shares to MobileMedia's creditors pursuant to the rights offering if the price of Arch stock is below $6.25 per share during a second pricing period), these creditors could own as much as 82.7% of the equity of the combined company. The specific components of the revised transaction are summarized on Attachment A hereto and supersede the bullet point summary of the original transaction set forth on pages 7-8 of the Application. In addition, copies of the Amended Plan of Merger, the Debtors' Second Amended Joint Plan of Reorganization, and the Disclosure Statement to the Second Amended Plan (to supplement Sections VII.A. and VII.B. of the Application) are attached.

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List A B C D E

As indicated in Attachment A hereto at footnote 2, as a result of the revised transaction, Credit Suisse First Boston Corporation ("CSFB"), an attributable interest holder in the transferee, could hold up to 20.5% of Arch's common stock. Given CSFB's maximum potential percentage ownership, and Arch's desire to avoid artificially restricting the potential ownership of any entity (including CSFB) that might result from the trading of Arch shares both before and after the consummation of the Merger, Arch has included herein at Attachment B a Section 310(b)(4) Waiver Request. It should be emphasized that CSFB is a corporation organized under the laws of Switzerland, a WTO Member country. The Section 310(b)(4) Waiver Request should be incorporated into the Application at Section II(F).

Any questions regarding this supplement should be directed to the undersigned counsel for MobileMedia or to Kathryn A. Zachem (202-783-4141), counsel for Arch.

Sincerely,

Peter D. Shields

Enclosures: Amended Plan of Merger
Debtors' Second Amended Joint Plan of Reorganization
Disclosure Statement to the Second Amended Plan

cc: Christopher Wright, Esquire
David Solomon, Esquire
John Riffer, Esquire
The Honorable Joseph Chachkin
Daniel B. Phythyon
Kathleen O'Brien Ham
Catherine W. Seidel
Myron Peck
Gary P. Schonman
John Schauble
Steve E. Weingarten
Stephen P. Markendorff
Paul D'Ari
Karen Wrege
Parties of Record

ATTACHMENT A
DESCRIPTION OF THE REVISED TRANSACTION

The revised transaction, which will be implemented through the Second Amended Plan, includes the following terms:

- MobileMedia's existing shareholders will not receive any consideration under the Amended Merger Agreement or Second Amended Plan, and their shares of MobileMedia common stock will be canceled.

- Holders of MobileMedia's secured bank debt, which currently aggregates $479 million in principal amount ($170 million in proceeds was distributed to such lenders on September 3, 1998 upon the closing of MobileMedia's sale of its tower site assets to Pinnacle Towers Inc.), will receive 100% of such principal amount in cash from Arch. Arch intends to finance the $479 million cash payment with $262 million in proceeds from additional bank debt and an additional note offering and $217 million in cash from the proceeds of the exercise of transferable rights to be issued by Arch to MobileMedia's unsecured creditors, whose claims aggregate approximately $480 million. These rights entitle MobileMedia's unsecured creditors (or their assignees) to acquire for cash between 52.1% and 73.1% of Arch's common stock (depending upon the market price of the Arch common stock during two designated periods, the first of which has already passed), and, under certain circumstances, warrants to purchase another approximately 2.5% of the Arch common stock.[1]

- In addition to receiving rights to purchase Arch stock and, if applicable, warrants, MobileMedia's unsecured creditors will receive pro rata interests aggregating between approximately 9.7% (if the rights entitle them to purchase 73.1%) and 17.2% (if the rights entitle them to purchase 52.1%) of Arch's common stock (depending upon the market price of the Arch common stock during the designated periods).[2]

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[1] Certain of MobileMedia's largest unsecured creditors have agreed in connection with the transaction to act as standby purchasers with respect to any shares of Arch common stock and warrants not purchased upon the exercise of such rights. As consideration for their backup commitments, such creditors will receive warrants to purchase another 2.5% of Arch's common stock.

[2] Since both the rights and the common stock will be freely tradable, the Form 430 Ownership Report submitted with the Application (*see* Section VII, Tab D) reflects attributable ownership based on the initial distribution to the unsecured creditors. There are no changes to the attributable owners' information contained in the Application. However, as a result of the

(Continued...)

- If the price of Arch common stock during the second designated period is less than $6.25, Arch's existing shareholders (including its Series C preferred shareholders) will receive rights to purchase additional shares of Arch common stock that will have the same exercise price as the rights distributed to MobileMedia's unsecured creditors. To the extent any of such rights are not exercised, Arch's existing stockholders will receive, for each such unexercised right, a warrant. Such rights and warrants, in the aggregate, would entitle the Arch stockholders to purchase additional shares which, together with their existing holdings, would equal 32.175% of Arch shares on a fully diluted basis. The exercise price of these warrants would equal the exercise price of the rights plus an amount equal to a 20% return thereon for a specified period. If the price of Arch common stock during the second designated period is greater than or equal to $6.25, Arch's existing shareholders (including its Series C preferred shareholders) would not receive rights, but would receive warrants to purchase 7% of Arch's common stock. These warrants would have an exercise price of $8.19 per share.

- Upon consummation of the Merger, Arch's existing shareholders (including its Series C preferred shareholders) will hold between 17.3% and 30.7% of the

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(...Continued)
revised transaction, the maximum potential percentage of Arch's common stock that could be owned by the attributable shareholders is as follows:

(1) Sandler Investment Partners, L.P. -- likely to be under 5%;
(2) The Northwestern Mutual Life Insurance Company -- up to 9.9%;
(3) Credit Suisse First Boston Corporation -- up to 20.5%;
(4) Whippoorwill Associates, Inc./Whippoorwill Partners, L.P. -- up to 20.9%

The Applicants believe that ownership will be more widely disbursed at consummation even than that reflected in the ownership report filed with the Application. In any event, no single shareholder or group of shareholders acting in concert will have the right to control the Combined Company or will own sufficient equity or voting rights to control the reconstituted Combined Company. As previously indicated in the Application, Credit Suisse First Boston Corporation ("CSFB") is the only attributable interest holder that is indirectly owned and controlled by a foreign entity. Given that CSFB may own as much as 20.5% of Arch's common stock, and given Arch's desire to avoid artificially restricting the potential ownership of any entity (including CSFB) that might result from the trading of Arch shares both before and after the consummation of the Merger, Arch is filing a Section 310(b)(4) Waiver Request (see Attachment B hereto). It should be emphasized that CSFB is a corporation organized under the laws of Switzerland, a WTO Member country.

Combined Company's common stock, while MobileMedia's unsecured creditors will hold between 69.3% and 82.7% of the stock of the Combined Company (depending upon the valuation used in determining the issue price for the rights offering).

- Arch will pay the priority and administrative expenses of MobileMedia as of the effective date of the transaction, and will repay outstanding borrowings under MobileMedia's debtor-in-possession borrowing facility.

ATTACHMENT B
SECTION 310(b)(4) WAIVER REQUEST

By this amendment, Arch also requests Commission approval pursuant to Section 310(b)(4) of the Communications Act and the *Commission's Foreign Participation Order* to exceed the 25% statutory benchmark for indirect foreign ownership.[1] Specifically, Arch requests that the Commission authorize indirect foreign investment up to a non-controlling level of 35%, not more than 15% of which will be held by entities from non-WTO Member countries. For the reasons discussed herein, the public interest will not be served by the denial of the instant waiver request.[2]

A. Background

Based on third party review of the ownership of Arch's publicly traded stock by large institutional investors and of its most significant individual shareholders, Arch has concluded that less than 2% of its capital stock is typically held by foreign entities from either WTO Member or non-WTO Member countries. Under the Merger as currently structured, Credit Suisse First Boston Corporation ("CSFB")[3] a Massachusetts corporation whose ultimate parent, Credit Suisse Group, is a corporation organized under the laws of Switzerland (a WTO Member country), could hold up to a 20.5% ownership interest in Arch (without any

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[1] 47 U.S.C. § 310(b)(4); *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market, Report and Order and Order on Reconsideration*, 12 FCC Rcd. 23891 (1997) ("*Foreign Participation Order*").

[2] Detailed ownership regarding newly-constituted Arch is contained in Exhibit D to Arch and MobileMedia's September 2, 1998 applications for transfer of control (The "Merger" or "Merger Applications").

[3] *See* Merger Applications at Exhibit D.

reference to additional Arch stock holdings it may acquire outside the terms of the Merger). Out of an abundance of caution, and to avoid artificially restricting the potential ownership of any entity that might result from the trading of Arch shares, both before and after the consummation of the Merger, Arch hereby requests Commission consent to exceed the Section 310(b)(4) benchmark to afford the Company sufficient flexibility to account for fluctuations in total indirect foreign ownership resulting from publicly-traded shares.

B. Indirect Foreign Ownership in Arch Under the Modified Transaction

Based on information obtained from the Post-Merger attributable shareholders[4] — which could account for more than 85% of Arch's total capital stock ownership upon consummation — and a third party analysis of the current ownership of Arch stock, it is unlikely that any foreign or foreign-controlled entity other than CSFB will hold greater than a 1% indirect ownership interest in Arch as a result of the transactions contemplated in the Merger Agreement. Based on these efforts, Arch is comfortable that, upon consummation of the modified transaction, foreign ownership in Arch other than that held by CSFB, including ownership held by attributable owners and in publicly traded stock, is not likely to exceed 2% in the aggregate.[5] However, total foreign ownership may fluctuate somewhat above that level

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[4] *See* the attached FCC Form 430 Licensee Qualification Report for the citizenship of entities with attributable ownership interests in Arch

[5] This 2% figure is within the range of other Commission licensees' determinations of foreign ownership fluctuation. *See, e.g., Western Wireless Corp.*, 13 FCC Rcd. 64, 65 (Int'l Bur. 1997) (4.3%); Sprint Corp., 11 FCC Rcd. 11354, 11357 (Int'l Bur. 1996) (7%); *MCI Communications Corp.*, 9 FCC Rcd. 3960, 3963 n.37 (1994) (3%). Indeed, the Commission has accommodated licensees' potential fluctuations in stock ownership substantially beyond that requested by Arch. Aerial Communications, Inc. Petition for Declaratory Ruling, File No. ISP-98-005, at 2-4, *granted*, *Public Notice*, 1998 FCC LEXIS 3513, Report No. I-8320, DA 98-1408 (rel. July 16, 1998) (authorizing foreign ownership up to 49.9% where identified

(Continued...)

in the future because: (1) CSFB (whose ultimate parent is, as noted, organized under the laws of a WTO Member country) may choose to increase its holdings to a level in excess of 25%; or (2) given the unusually high number of new shares of post-Merger Arch which will be issued as a result of the Merger and thereafter traded in the public exchanges, the amount of publicly-traded stock held by foreign entities may necessarily increase with the increase in the number of shares available in the public markets. It is therefore appropriate for Arch to obtain the requisite public interest determination at this time, in order to avoid placing undue restrictions on the trading of its stock by CSFB or any other investor. Arch therefore requests Commission authority to allow it to have noncontrolling indirect foreign investment of up to 35%, not more than 15% of which may be held by entities from non-WTO Member countries.

C. Public Interest Statement

Upon consummation of the Merger as currently contemplated, CSFB could hold as much as 20.5% of Arch's capital stock, without reference to any other holdings it may acquire outside of the terms of the Merger. CSFB's ultimate parent corporation, Credit Suisse Group, is organized under the laws of Switzerland, a WTO Member country. Therefore, CSFB's investment in Arch is subject to the presumption in favor of up to 100% foreign participation by entities from WTO Member countries set forth in the *Foreign Participation Order* and presumed to be consistent with the public interest.[6]

Authorization of additional noncontrolling indirect foreign ownership totaling 35%, not

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(...Continued)
foreign ownership totaled approximately 32%).

[6] *See Foreign Participation Order*, 12 FCC Rcd at 12898, 23940.

more than 15% of which may be held by entities from non-WTO Member countries, is also consistent with the public interest. First, Arch anticipates that, in all likelihood, total indirect foreign ownership in Arch beyond that held by CSFB is not likely to exceed 2%. Even if CSFB increases its holdings to a non-controlling interest of 25% or more of Arch, total foreign ownership at any time after consummation is unlikely to exceed the 25% benchmark by more than a *de minimis* amount.[7] The level of foreign ownership level requested herein will give Arch sufficient flexibility to account for fluctuations in total foreign ownership resulting from publicly-traded stock. Moreover, based on its current holdings, it is likely that the remaining foreign ownership will result from interests of passive, widely dispersed investors whose individual equity positions will not likely exceed 1% indirect ownership of the Arch's capital stock, and many of which will likely be held by entities from WTO Member countries. Thus, application of an effective competitive opportunities ("ECO") analysis is unnecessary.[8] Furthermore, as discussed in detail in the Merger Applications (and related Exhibits), Arch's directors and officers are U.S. citizens and will remain unchanged upon consummation of the modified transaction, and control of Arch will remain with its senior management.[9] Finally, the Commission has previously recognized that facilitating additional foreign investment in circumstances such as these will serve the public interest by benefiting U.S. consumers and promoting competition.[10]

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[7] *See IDB Communications Group*, 6 FCC Rcd 4652, 4653 (Com. Car. Bur. 1991).

[8] *See Sprint Corp.*, 11 FCC Rcd. at 11357-58.

[9] *See id.*; *IDB Communications Group*, 6 FCC Rcd. at 4653.

[10] *See Western Wireless Corporation,* 13 FCC Rcd. at 72; *Sprint Corporation* , 11 FCC

(Continued...)

For these reasons, denial of Arch's Section 310(b)(4) waiver request would not serve the public interest. Arch will take reasonable efforts to monitor its foreign ownership and, should circumstances arise where Arch believes that foreign ownership by entities from non-WTO Member countries would exceed 15%, or where total foreign ownership could exceed 35% or result in a transfer of control, Arch will, of course, separately request Commission approval.

(...Continued)
Rcd. at 11358; *MCI Communications Corporation*, 10 FCC Rcd. 8697, 8698 (1995); *IDB Communications Group*, 6 FCC Rcd. at 4653.

COMPOSITE AGREEMENT AND PLAN OF MERGER

by and among

Arch Communications Group, Inc.,

Farm Team Corp.,

MobileMedia Corporation

and

MobileMedia Communications, Inc.

Dated as of September 3, 1998

LIST OF EXHIBITS

EXHIBIT A	Second Amended Joint Plan of Reorganization
EXHIBIT B	Buyer Warrant Agreement
EXHIBIT B-1	Buyer Participation Warrant Agreement
EXHIBIT C	Registration Rights Agreement
EXHIBIT D	Amendment to Buyer's Rights Agreement dated as of August 18, 1998
EXHIBIT D-1	Amendment to Buyer's Rights Agreement dated as of September 3, 1998
EXHIBIT E	Opinion of Buyer's Financial Advisor
EXHIBIT F	Buyer Charter Amendment
EXHIBITS G, H, I J, K & L	Standby Purchase Commitments

LIST OF SCHEDULES

SCHEDULE I	Subsidiaries of the Company
SCHEDULE II	Pricing Mechanism
SCHEDULE III	Rights Offering Term Sheet
SCHEDULE IV	Stockholder Rights Offering Term Sheet

COMPOSITE AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger (this "Agreement") entered into as of August 18, 1998 (the date of this Agreement or the "Agreement Date") and amended as of September 3, 1998 by and among Arch Communications Group, Inc., a Delaware corporation (the "Buyer"), Farm Team Corp., a Delaware corporation and a wholly-owned subsidiary of Buyer (the "Merger Subsidiary"), MobileMedia Corporation, a Delaware corporation (the "Parent"), and MobileMedia Communications, Inc., a Delaware corporation and a wholly-owned subsidiary of the Parent (the "Company" and, together with the Buyer, the Merger Subsidiary and the Parent, the "Parties").

Preliminary Statement

A. The Parent, the Company and those subsidiaries of the Company set forth in Schedule I attached hereto (collectively, the "Debtors" and each, individually, a "Debtor") are debtors in possession in Chapter 11 cases (Case Nos. 97-174 (PJW) through and including 97-192 (PJW)) (collectively the "Chapter 11 Proceeding") pending before the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Debtors have previously filed a proposed Joint Plan of Reorganization dated January 27, 1998 (the "Prior Plan") with the Bankruptcy Court.

B. This Agreement contemplates a merger of the Company into the Merger Subsidiary. As a result of such merger, the separate corporate existence of the Company shall cease and the Merger Subsidiary shall continue as the Surviving Corporation (as defined in Section 1.1). For federal income tax purposes, it is intended that such merger will qualify as a reorganization under the provisions of Section 368(a)(2)(D) of the Internal Revenue Code of 1986, as amended (the "Code").

C. The merger contemplated by this Agreement shall constitute the basis for the Debtor's Second Amended Joint Plan of Reorganization in the form attached hereto as Exhibit A, as amended from time to time as permitted hereby and thereby (the "Amended Plan"). Pursuant to the Amended Plan, which shall be filed with the Bankruptcy Court as soon as practicable after the date of this Agreement (but not later than August 20, 1998 in any event): (i) all the outstanding equity interests in the Company and the Parent shall be canceled without consideration, and the Parent shall be dissolved; (ii) all allowed prepetition claims against, and prepetition obligations and indebtedness of, the Debtors (the "Allowed Claims") shall be (a) satisfied by the distribution of cash, shares of capital stock of the Buyer, Rights (as defined in paragraph (E) below) and/or certain other consideration to the holders of the Allowed Claims or (b) otherwise discharged; (iii) the commitments under the DIP Loan Agreement (as defined in Section 1.11) shall be terminated and all amounts owed under or in respect of the DIP Loan Agreement shall be paid in full in cash; and (iv) the Merger Subsidiary shall remain a wholly owned subsidiary of the Buyer.

D. This Agreement contemplates that the Buyer shall cause the Surviving Corporation (as defined in Section 1.1) to pay or assume all allowed administrative and priority claims and expenses of the Debtors and shall make available to the Surviving Corporation the monies necessary for the timely payment thereof.

E. In connection with the Merger (as defined in Section 1.1) and as part of the Amended Plan, the Buyer intends to conduct the Rights Offering (as defined in Section 4.20), in which it will issue to holders of certain Allowed Claims transferable Rights to purchase (i) if a Rights Offering Adjustment (as defined in Schedule II attached hereto) shall not have occurred, units consisting of (a) shares of Common Stock, $0.01 par value per share, of the Buyer ("Buyer Common Stock") or shares of Buyer Class B Common Stock, if applicable, and (b) warrants to purchase shares of Buyer Common Stock ("Buyer Warrants"), such Buyer Warrants to be issued pursuant to a warrant agreement in the form attached hereto as Exhibit B (the "Buyer Warrant Agreement"), or (ii) if a Rights Offering Adjustment shall have occurred, shares of Buyer Common Stock or shares of Buyer Class B Common Stock, if applicable. Contemporaneously with the execution and delivery of this Agreement, certain holders of Allowed Claims (the "Standby Purchasers") are making certain commitments in connection with the Rights Offering (as the same may be amended from time to time, the "Standby Purchase Commitments"), copies of which are attached as Exhibits G, H, I, J, K & L hereto. In partial consideration for the Standby Purchase Commitments, the Buyer will issue to the Standby Purchasers (x) if a Rights Offering Adjustment shall not have occurred, Buyer Warrants, or (y) if a Rights Offering Adjustment shall have occurred, warrants to purchase shares of Buyer Common Stock ("Buyer Participation Warrants"), such Buyer Participation Warrants to be issued pursuant to a warrant agreement in the form attached hereto as Exhibit B-1 (the "Buyer Participation Warrant Agreement"), as provided in the Standby Purchase Commitments. In addition, in connection with the Standby Purchase Commitments, the Buyer and the Standby Purchasers will enter into a registration rights agreement in the form attached hereto as Exhibit C (as the same may be amended from time to time, the "Registration Rights Agreement").

F. If a Rights Offering Adjustment shall not have occurred, immediately following the Merger, the Buyer will issue Buyer Warrants to the stockholders of the Buyer that were holders of record immediately prior to such Merger. The Buyer will conduct the Stockholder Rights Offering (as defined in Section 4.22), in which it will issue to holders of Buyer Stock (as defined in Section 1.7) as of a record date to be determined by the Board of Directors of the Buyer (the "Buyer Record Date"), such holders being referred to herein as the "Stockholder Rights Holders", non-transferable rights ("Stockholder Rights") (except that, at the Buyer's election, the Stockholder Rights will transfer with the underlying shares in respect of which the Stockholder Rights are distributed) to acquire shares of Buyer Common Stock if a Rights Offering Adjustment shall have occurred. In connection therewith, if a Rights Offering Adjustment shall have occurred, immediately following the Merger, the Buyer will issue to the stockholders of the Buyer one Buyer Participation Warrant for each Stockholder Right issued to such Stockholder Rights Holder that was not exercised

G. The transactions contemplated by this Agreement, including the Merger,

shall be consummated pursuant to the Amended Plan as confirmed by an order of the Bankruptcy Court entered pursuant to Section 1129 of the Bankruptcy Code (as defined in Section 2.1(a)) (the "Confirmation Order"). Unless otherwise defined herein, capitalized terms used herein shall have the meanings ascribed to them in the Amended Plan.

NOW, THEREFORE, in consideration of the representations, warranties and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties further agree as follows:

ARTICLE I

THE MERGER

I.1 The Merger; Effective Time. Upon the terms and subject to the conditions of this Agreement and in accordance with the Delaware General Corporation Law (the "DGCL"), the Company shall merge with and into the Merger Subsidiary (such merger being referred to herein as the "Merger") at the Effective Time (as defined below in this Section 1.1). The Merger shall have the effects set forth in Section 259 of the DGCL. At the Effective Time, the separate corporate existence of the Company shall cease and thereafter the Merger Subsidiary shall continue as the surviving corporation in the Merger (the "Surviving Corporation"), and all the rights, privileges, immunities, powers and franchises (of a public as well as of a private nature) of the Company and the Merger Subsidiary and all property (real, personal and mixed) of the Company and the Merger Subsidiary shall vest in the Surviving Corporation. The "Effective Time" shall be the time at which the Company and the Merger Subsidiary file a certificate of merger or other appropriate documents prepared and executed in accordance with the relevant provisions of the DGCL (the "Certificate of Merger") with the Secretary of State of the State of Delaware or such later time as may be specified in the Certificate of Merger.

I.2 The Closing. Unless this Agreement shall have been terminated pursuant to Article VI hereof, the closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of Hale and Dorr LLP, 60 State Street, Boston, Massachusetts 02109, commencing at 10:00 a.m., local time, on a date to be mutually agreed by the Company and the Buyer, which date shall be at least seven, but no more than ten, business days after the date upon which all the conditions to the obligations of the Parties to consummate the transactions contemplated hereby set forth in Section 5.1 (other than Section 5.1(j)) have first been satisfied or waived, which date shall be the same date as the Effective Date under the Amended Plan (the "Closing Date"); provided that the Closing shall not occur until the condition set forth in Section 5.1(j) shall have been satisfied and the conditions set forth in Sections 5.2 and 5.3 shall have been satisfied or waived. Notwithstanding anything contained herein to the contrary, in no event will the Closing be earlier than twelve business days after the Buyer delivers to the Standby Purchasers the written notice required pursuant to Section 4(c)(i) of the

Standby Purchase Commitments.

I.3 Actions at the Closing. At the Closing, (a) the Parent and the Company shall deliver to the Buyer and the Merger Subsidiary the various certificates, instruments and documents referred to in Section 5.2, (b) the Buyer and the Merger Subsidiary shall deliver to the Company the various certificates, instruments and documents referred to in Section 5.3, (c) the Buyer shall file with the Secretary of State of the State of Delaware the Buyer Charter Amendment (as defined in Section 4.12), (d) the Company and the Merger Subsidiary shall immediately thereafter file with the Secretary of State of the State of Delaware the Certificate of Merger, (e)(i) the Buyer shall deliver (A) to the Pre-Petition Agent, for the benefit of the Pre-Petition Lenders, immediately available funds equal to the excess of (x) $649,000,000 over (y) the Company Tower Sale Proceeds (as defined in Section 5.2(f)), (B) to the Company immediately available funds when and as required in amounts sufficient to pay allowed administrative and priority claims and expenses of the Debtors, whether allowed prior to or after the Effective Time, as set forth in the Amended Plan (collectively, the "Plan Cash") and (C) to a bank trust company or other entity reasonably satisfactory to the Company and the Buyer appointed by the Buyer to act as the exchange agent (the "Exchange Agent") pursuant to Section 1.6(a), certificates representing an aggregate number of shares of Buyer Common Stock determined in accordance with the pricing mechanism set forth in Schedule II attached hereto (the "Plan Shares") to be distributed as contemplated by Section 1.6(b), (ii) the Buyer shall issue the Buyer Common Stock (and Buyer Class B Common Stock, if applicable) and, if a Rights Offering Adjustment shall not have occurred, (A) Buyer Warrants purchased through the exercise of Rights and (B) Buyer Warrants purchased by or otherwise issued to the Standby Purchasers in connection with the Standby Purchase Commitments, and (iii) if a Rights Offering Adjustment shall have occurred, the Buyer shall issue the Buyer Common Stock purchased through the exercise of the Stockholder Rights and, to the extent such Stockholder Rights are not exercised, the Buyer shall issue the Buyer Participation Warrants.

I.4 Additional Action. The Surviving Corporation may, at any time after the Effective Time, take any action, including executing and delivering any document, in the name and on behalf of either the Company or the Merger Subsidiary, in order to consummate the transactions contemplated by this Agreement.

I.5 Conversion of Securities. At the Effective Time, by virtue of the Merger and the Amended Plan and without any further action on the part of any person or entity:

(a) Each share of common stock, $0.01 par value per share, of the Merger Subsidiary issued and outstanding immediately prior to the Effective Time shall remain issued and outstanding and shall evidence one share of common stock, $0.01 par value per share, of the Surviving Corporation.

(b) Each share of capital stock of the Parent (collectively, the "Company Stock") that is either outstanding or held in the treasury of the Parent immediately prior to the Effective Time, each share of capital stock of the Company, each share of capital stock of each of the other Debtors held by any person or entity other than the Debtors, and each option, warrant or other right issued by any of the Debtors to acquire any such capital stock and outstanding immediately prior to the Effective Time shall be canceled without payment of any consideration therefor and shall cease to exist. Pursuant to Section 303 of the DGCL and the Amended Plan, holders of the Company Stock shall have no statutory right of appraisal in connection with the Merger, and such holders shall have no right to approve or disapprove the Merger or this Agreement.

I.6 Appointment of Exchange Agent; Distributions in Accordance with Amended Plan.

(a) Prior to the Effective Time, the Buyer shall appoint the Exchange Agent to effect, pursuant to and in accordance with the Amended Plan, the distribution of Plan Shares in exchange for, and in satisfaction of, certain Allowed Class 6 Claims.

(b) The Buyer and the Surviving Corporation shall cause the Exchange Agent, promptly after the Effective Time, to commence the distribution of Plan Shares (which Plan Shares are defined in the Amended Plan as the "Creditor Stock Pool") to holders of Allowed Class 6 Claims in exchange for, and in satisfaction of, such Allowed Class 6 Claims, all as provided in the Amended Plan.

I.7 Distribution to Holders of Buyer Common Stock.

(a) If a Rights Offering Adjustment shall not have occurred, the Buyer shall, as soon as practicable after receipt of the Confirmation Order, declare and make, subject to and effective immediately after the occurrence of the Effective Time, a distribution of Buyer Warrants on the shares of Buyer Common Stock and the Buyer's Series C Convertible Preferred Stock, $.01 par value per share (the "Buyer Preferred Stock" and, together with the Buyer Common Stock, the "Buyer Stock"), outstanding immediately prior to the Effective Time . The Buyer Warrants to be distributed pursuant to this Section 1.7(a) will entitle the holders thereof to purchase, in the aggregate, a number of shares of Buyer Common Stock equal to 7.00% of the aggregate number of shares of issued and outstanding Buyer Common Stock and, if applicable, Buyer Class B Common Stock on the date the Initial Buyer Market Price is determined in accordance with Schedule II attached hereto, computed on a Fully Diluted Basis after giving effect to the Amended Plan as if the Effective Date had occurred on such date and assuming 21,067,110 shares of Buyer Common Stock were issued and outstanding immediately prior thereto.

(b) The Buyer shall conduct the Stockholder Rights Offering in accordance with Section 4.22, and, if a Rights Offering Adjustment shall have occurred, the Buyer shall,

as soon as practicable after the occurrence of the Effective Time, declare and make a distribution to each Stockholder Rights Holder of one Buyer Participation Warrant for each Stockholder Right of such Stockholder Rights Holder that shall not have been exercised.

(c) Notwithstanding the foregoing, no fractional Buyer Warrants or Buyer Participation Warrants, as the case may be, shall be issued in the distribution of Buyer Warrants or Buyer Participation Warrants to be made pursuant to this Section 1.7 (the "Buyer Distribution"); in lieu thereof, fractional Buyer Warrants or Buyer Participation Warrants, as the case may be, that would otherwise be issued in the Buyer Distribution will be rounded up to the nearest whole number of Buyer Warrants or Buyer Participation Warrants, as the case may be.

I.8 Certificate of Incorporation. From and after the Effective Time, the Certificate of Incorporation of the Merger Subsidiary, as in effect immediately prior to the Effective Time (except that the name of the corporation set forth therein shall be changed to the name of the Company) and as amended by the Certificate of Merger, shall be the Certificate of Incorporation of the Surviving Corporation, until thereafter further amended as provided by law and such Certificate of Incorporation.

I.9 By-laws. From and after the Effective Time, the By-laws of the Merger Subsidiary, as in effect immediately prior to the Effective Time (except that the name of the corporation set forth therein shall be changed to the name of the Company), shall be the By-Laws of the Surviving Corporation, until thereafter further amended as provided by law, the Certificate of Incorporation of the Surviving Corporation and such By-laws.

I.10 Directors and Officers. From and after the Effective Time, the directors and officers of the Merger Subsidiary immediately prior to the Effective Time shall be and continue as directors and officers, respectively, of the Surviving Corporation as of the Effective Time, until thereafter changed in accordance with the Certificate of Incorporation and the By-Laws of the Surviving Corporation.

I.11 Payment of Administrative Claims and Expenses. At the Effective Time, the Buyer shall cause the Surviving Corporation to pay or assume the allowed administrative and priority claims and expenses of the Debtors, whether allowed prior to or after the Effective Time (including, without limitation, (a) the payment of obligations under the existing debtor-in-possession financing facility (the "DIP Loan Agreement") and (b) the assumption of post-petition trade payables arising in the Ordinary Course of Business (as defined in Section 2.3)), as specified in the Amended Plan. The Buyer shall make available to the Surviving Corporation any monies necessary for the Surviving Corporation to make timely payment of such claims and expenses.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE PARENT AND THE COMPANY

Each of the Parent and the Company represents and warrants to the Buyer that the statements contained in this Article II are true and complete, except as set forth in the disclosure schedule of the Company delivered to the Buyer simultaneously with the execution and delivery hereof (the "Company Disclosure Schedule"). The Company Disclosure Schedule shall be arranged in sections and paragraphs corresponding to the numbered and lettered sections and paragraphs contained in this Article II, and the disclosures in any section or paragraph of the Company Disclosure Schedule shall qualify other sections or paragraphs in this Article II only to the extent that it is reasonably clear from a reading of the disclosure that such disclosure is applicable to such other sections or paragraphs. For purposes of this Agreement, a "Debtor Material Adverse Effect" shall mean a material adverse effect on the businesses, assets (including licenses, franchises and other intangible assets), financial condition, operating income and prospects of the Debtors, taken as a whole, excluding any effect generally applicable to the economy or the industry in which the Company conducts its business.

II.1 Organization, Qualification, Corporate Power and Authority.

(a) Each of the Debtors is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation. Each of the Debtors is duly qualified to conduct business and is in good standing under the laws of each jurisdiction (each such jurisdiction being set forth in Section 2.1(a) of the Company Disclosure Schedule) in which the nature of its businesses or the ownership or leasing of its properties requires such qualification, other than where the failure to be so qualified would not in the aggregate have a Debtor Material Adverse Effect. Subject to supervision by the Bankruptcy Court in accordance with Title 11 of the United States Code (the "Bankruptcy Code"), each of the Debtors has all requisite corporate power and authority to carry on the businesses in which it is engaged and to own and use the properties owned and used by it. Each of the Debtors has furnished to the Buyer true and complete copies of its charter and by-laws, each as amended and as in effect on the date hereof. Each of the Debtors has at all times complied with, and is not in default under or in violation of, any provision of its charter or by-laws, other than where the failure to so comply and such defaults and violations would not in the aggregate have a Debtor Material Adverse Effect.

(b) Subject to the entry of the Initial Merger Order (as defined in Section 4.4(a)), with respect to the Company Breakup Fee, the Buyer Breakup Fee and the Buyer Reimbursement (each as defined in Article 4), and subject to the entry of the Confirmation Order, with respect to the remaining terms and conditions of this Agreement, each of the Parent and the Company has all requisite power and authority to execute and deliver this Agreement. Subject to the entry of the Initial Merger Order, with respect to the Company Breakup Fee, the Buyer Breakup Fee and the Buyer Reimbursement, and subject to the entry of the Confirmation

Order, with respect to the remaining terms and conditions of this Agreement, this Agreement has been (i) duly and validly executed and delivered by the Parent and the Company and (ii) duly and validly authorized by all necessary corporate action on the part of the Parent and the Company. Subject to the entry of the Initial Merger Order, with respect to the Company Breakup Fee, the Buyer Breakup Fee and the Buyer Reimbursement, and subject to the entry of the Confirmation Order, with respect to the remaining terms and conditions of this Agreement, this Agreement constitutes a valid and binding obligation of the Parent and the Company enforceable against the Parent and the Company in accordance with its terms.

(c) Each of the Debtors has the requisite power and authority to execute and file with the Bankruptcy Court the Amended Plan. The Amended Plan has been (i) duly and validly executed by each Debtor and (ii) duly and validly authorized by all necessary corporate action on the part of each Debtor. Upon the entry of the Confirmation Order, the Amended Plan will constitute a valid and binding obligation of each Debtor enforceable against each Debtor in accordance with its terms.

II.2 Capitalization. On the Closing Date, after giving effect to the Amended Plan (but immediately prior to the Merger), the authorized capital stock of each Debtor will be as set forth in Section 2.2 of the Company Disclosure Schedule. On the Closing Date, after giving effect to the Amended Plan, there will be no outstanding Company Stock and no outstanding or authorized options, warrants, rights, calls, convertible instruments, agreements or commitments to which any of the Debtors is a party or which are binding upon any of the Debtors providing for the issuance, disposition or acquisition of any of its capital stock or stock appreciation, phantom stock or similar rights.

II.3 Noncontravention. Except for the applicable requirements of the Securities Act of 1933, as amended (the "Securities Act"), the Securities Exchange Act of 1934, as amended (the "Exchange Act"), any applicable state and foreign securities laws, the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the "HSR Act"), the Communications Act of 1934, as amended (the "Communications Act"), and the regulations of the Federal Communications Commission (the "FCC"), state public utility, telecommunication or public service laws, and the Bankruptcy Code, the Confirmation Order and the Amended Plan, none of the execution and delivery of this Agreement by the Parent and the Company, the execution and filing with the Bankruptcy Court of the Amended Plan by the Debtors or the consummation of the transactions contemplated hereby or thereby will (a) conflict with or violate any provision of the charter or by-laws of any Debtor; (b) require on the part of any Debtor any filing with, or any permit, authorization, consent or approval of, any court, arbitrational tribunal, administrative agency or commission or other governmental or regulatory authority or agency (a "Governmental Entity"), other than where the failure to make or obtain such filings, permits, authorizations, consents or approvals would not in the aggregate have a Debtor Material Adverse Effect or materially adversely affect the ability of the Reorganized Debtors (which, for purposes of this Agreement, shall mean the "Reorganized Debtors" as defined in the Amended Plan, together with "License Co. L.L.C." as defined in the Amended Plan) to operate the business of

the Debtors following the Effective Time; (c) conflict with, result in a breach of, constitute (with or without due notice or lapse of time or both) a default under, result in the acceleration of, create in any party any right to accelerate, terminate, modify or cancel, or require any notice, consent or waiver under, any post-petition contract, lease, sublease, license, sublicense, franchise, permit, indenture, agreement or mortgage for borrowed money, instrument of indebtedness, Security Interest (as defined below in this Section 2.3) or other arrangement to which any Debtor is a party or by which any Debtor is bound or to which any of their respective assets is subject or any judgment, order, writ, injunction, decree, statute, rule or regulation applicable to any Debtor or any of their respective properties or assets, other than such conflicts, violations, breaches, defaults, accelerations, terminations, modifications, cancellations or notices, consents or waivers as would not in the aggregate have a Debtor Material Adverse Effect; or (d) result in the imposition of any Security Interest upon any assets of any Debtor. For purposes of this Agreement, "Security Interest" means any mortgage, pledge, security interest, encumbrance, charge or other lien (whether arising by contract or by operation of law), other than liens arising in the ordinary course of business consistent with past custom and practice, including with respect to frequency and amount (the "Ordinary Course of Business").

II.4 Business Entities.

(a) Section 2.4(a) of the Company Disclosure Schedule sets forth a true and complete list of each corporation, partnership, limited liability company or other form of business association (a "Business Entity") in which any Debtor, directly or indirectly, owns any equity interest or any security convertible into or exchangeable for an equity interest (each a "Debtor Business Entity") which is material to the Parent and the Company.

(b) The Debtor Business Entities listed in Section 2.4(b) of the Company Disclosure Schedule are the only Debtor Business Entities which have conducted any operations, trade or businesses of the Debtors since January 30, 1997, hold any Debtor Authorizations (as defined in Section 2.14(a)) or own any assets necessary for the conduct of the businesses of the Debtors as currently conducted.

(c) The Debtors own all the outstanding equity interests in each Debtor Business Entity.

(d) No Debtor is in default under or in violation of any provision of its organizational documents. To the knowledge of the Parent or the Company, all the issued and outstanding equity interests of each Debtor Business Entity are duly authorized, validly issued, fully paid, nonassessable and free of preemptive rights. On the Closing Date, after giving effect to the effectiveness of the Amended Plan, all equity interests of each Debtor Business Entity that are held of record or owned beneficially by the Parent, the Company or another Debtor immediately prior to the Effective Time will be held or owned by the respective Reorganized Debtors free and clear of any restrictions on transfer (other than restrictions under the Securities Act and state or foreign securities laws), claims, Security Interests, options, warrants, rights,

contracts, calls, commitments, equities and demands.

(e) There are no voting trusts, proxies or other agreements or understandings with respect to the voting of any equity interests of any Debtor Business Entity to which any Debtor is a party or by which it is bound, or, to the Parent's or the Company's knowledge, any other such trusts, proxies, agreements or understandings.

II.5 Financial Statements; Accounts Receivable; Inventory.

(a) The Debtors have previously provided to the Buyer (i) the audited consolidated balance sheets and statements of operations and changes in stockholders' equity and cash flows of the Company as of December 31, 1996 and 1997 and for the years ended December 31, 1995, 1996 and 1997 (the "Audited Company Financial Statements") and (ii) the unaudited consolidated balance sheet (which indicates separately liabilities arising on or after January 30, 1997 (the "Filing Date")) (the "June 30 Unaudited Company Balance Sheet") and the unaudited consolidated statements of operations and changes in stockholders' equity and cash flows of the Company as of and for the six-month period ended June 30, 1998 (the "Company Balance Sheet Date"). Such financial statements (collectively, the "Company Financial Statements"), (i) comply as to form in all material respects with applicable accounting requirements and the published rules and regulations of the U. S. Securities and Exchange Commission (the "SEC") with respect thereto; (ii) have been prepared in accordance with United States generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods covered thereby (except as may be indicated therein or in the notes thereto and, in the case of interim financial statements, as permitted by Form 10-Q under the Exchange Act); (iii) fairly present the consolidated financial condition, results of operations and cash flows of the Company as of the respective dates thereof and for the periods referred to therein; and (iv) are consistent with the books and records of the Company, subject, in the case of clauses (i), (ii) and (iii), (a) to the paragraph in the report of independent auditors on the Audited Company Financial Statements describing conditions that raise substantial doubt about the Company's ability to continue as a going concern, and (b) to the Company Financial Statements not including any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of these uncertainties.

(b) The accounts receivable of the Debtors reflected on the June 30 Unaudited Company Balance Sheet, and those arising since the date of the June 30 Unaudited Company Balance Sheet, are valid receivables subject to no set-offs or counterclaims, net of a reserve for bad debts, which reserve is reflected on the June 30 Unaudited Company Balance Sheet. The inventories of the Debtors reflected on the June 30 Unaudited Company Balance Sheet are of a quality and quantity useable and/or saleable in the Ordinary Course of Business, except as written down to net realizable value on the June 30 Unaudited Company Balance Sheet. All inventory shown on the June 30 Unaudited Company Balance Sheet has been priced at the lower of cost or net realizable value.

II.6 Absence of Certain Changes. Since the Company Balance Sheet Date, (a) there has not been any Debtor Material Adverse Effect, nor has there occurred any event or development that would have a Debtor Material Adverse Effect, and (b) no Debtor has taken any action that would be prohibited by subsection (a) of Section 4.5 below if taken from and after the date of this Agreement. Except as set forth in amendments thereto currently being prepared that decrease the Debtors' liabilities thereunder, the Statement of Affairs and Schedules of Assets and Liabilities and Executory Contracts of the Debtors filed with the Bankruptcy Court in the Chapter 11 Proceeding, as amended, includes a list which is true and complete in all material respects of all the material creditors, whether secured or unsecured, of the Debtors at the Filing Date.

II.7 Undisclosed Liabilities. None of the Debtors has any liability (whether known or unknown, whether absolute or contingent, whether liquidated or unliquidated, whether due or to become due and whether arising prior to or subsequent to the Filing Date), except for (a) liabilities that will be fully discharged in the Chapter 11 Proceeding at the Effective Time, paid from the Plan Cash and the Plan Shares in accordance with the terms of the Amended Plan or, with respect to obligations arising under the DIP Loan Agreement, otherwise paid in full in cash; (b) liabilities arising after the Filing Date separately shown or expressly reserved for separately on the June 30 Unaudited Company Balance Sheet; (c) liabilities that have arisen since the Company Balance Sheet Date in the Ordinary Course of Business of the Debtors and that are similar in nature and amount to the liabilities that arose during the comparable period of time in the immediately preceding fiscal period; and (d) liabilities incurred in the Ordinary Course of Business of the Debtors that are not required by GAAP to be reflected on the June 30 Unaudited Company Balance Sheet and that are not in the aggregate material. Section 2.7 of the Company Disclosure Statement sets forth all amounts due under the Dial Page Indenture at June 30, 1998.

II.8 Tax Matters.

(a) (i) Each of the Debtors has filed all Tax Returns (as defined below in this Section 2.8(a)) that it was required to file, and all such Tax Returns were true and complete in all material respects. (ii) No Debtor is or has ever been a member of a group of corporations with which it has filed (or been required to file) consolidated, combined or unitary Tax Returns, other than a group of which only the Debtors are or were members. (iii) The Debtors have paid all Taxes (as defined below in this Section 2.8(a)) of the Debtors that were due and payable prior to the date hereof. (iv) All Taxes that any Debtor is or was required by law to withhold or collect have been duly withheld or collected and, to the extent required, have been paid to the proper Governmental Entity. For purposes of this Agreement, "Taxes" means all taxes, charges, fees, levies or other similar assessments or liabilities, including, without limitation, income, gross receipts, ad valorem, premium, value-added, excise, real property, personal property, sales, use, transfer, withholding, employment, payroll and franchise taxes imposed by the United States of America or any state, local or foreign government, or any agency thereof, or other political subdivision of the United States or any such government, and any interest, fines, penalties,

assessments or additions to tax resulting from, attributable to or incurred in connection with any tax or any contest or dispute thereof. For purposes of this Agreement, "Tax Returns" means all reports, returns, declarations, statements or other information required to be supplied to a taxing authority in connection with Taxes.

(b) (i) The Debtors have delivered or otherwise made available to the Buyer true and complete copies of all federal income Tax Returns for the "affiliated group" (as defined in Section 1504(a) of the Code) of which the Parent is the common parent and the Debtors are members (the "Company Group"), together with all related examination reports and statements of deficiency, for all periods commencing on or after December 1, 1993 and, to the extent in the possession of the Debtors, true and complete copies of the portion of the federal income Tax Returns of any member of a Debtor Affiliated Group (as defined below), together with all related examination reports and statements of deficiency, relating to the activities of any Debtor for all Debtor Affiliated Periods (as defined below). For purposes of this Section 2.8, "Debtor Affiliated Group" means each group of corporations with which any Debtor has filed (or was required to file) consolidated, combined, unitary or similar Tax Returns and "Debtor Affiliated Period" means a period in which a Debtor was a member of a Debtor Affiliated Group. (ii) The federal income Tax Returns of the Company Group have been audited by the Internal Revenue Service or are closed by the applicable statute of limitations for all taxable years through the taxable year specified in Section 2.8(b) of the Company Disclosure Schedule. (iii) The Debtors have made available to the Buyer true and complete copies of all other Tax Returns of the Debtors in the possession of the Debtors, together with all related examination reports and statements of deficiency, and, to the extent in the possession of the Debtors, true and complete copies of the portion of all other Tax Returns of any member of a Debtor Affiliated Group, together with all related examination reports and statements of deficiency, relating to the activities of any Debtor for all Debtor Affiliated Periods. (iv) No examination or audit of any Tax Return of any Debtor by any Governmental Entity is currently in progress, threatened or contemplated. (v) No Debtor has been informed by any jurisdiction that the jurisdiction believes that the Debtor was required to file any Tax Return that has not since been timely filed or, if not timely filed, with respect to which an assessed amount has not since been paid. (vi) No Debtor has waived any statute of limitations with respect to Taxes or agreed to an extension of time with respect to a Tax assessment or deficiency which waiver or extension of time is still in effect.

(c) No Debtor (i) is a "consenting corporation" within the meaning of Section 341(f) of the Code and none of the assets of the Debtors is subject to an election under Section 341(f) of the Code; (ii) has made any payments, is obligated to make any payments, or is a party to any agreement that could obligate it to make any payments that may be treated as an "excess parachute payment" under Section 280G of the Code; (iii) has any actual or potential liability for any Taxes of any person (other than the Debtors) under Treasury Regulation Section 1.1502-6 (or any similar provision of federal, state, local, or foreign law), or as a transferee or successor, by contract, or otherwise; or (iv) is or has been required to make a basis reduction pursuant to Treasury Regulation Section 1.1502-20(b) or Treasury Regulation Section 1.337(d)-2(b) other than a reduction required by reason of the transactions contemplated by this Agreement, if any.

(d) None of the assets of any Debtor: (i) is property that is required to be treated as being owned by any other person pursuant to the provisions of former Section 168(f)(8) of the Code; (ii) is "tax-exempt use property" within the meaning of Section 168(h) of the Code; or (iii) directly or indirectly secures any debt the interest on which is tax exempt under Section 103(a) of the Code.

(e) No Debtor will have undergone a change in its method of accounting requiring an inclusion in its taxable income of an adjustment pursuant to Section 481(c) of the Code for any taxable period beginning on or after the Closing Date other than a change occurring by reason of the transactions contemplated by this Agreement, if any.

(f) No state or federal "net operating loss" of the Debtors determined as of the Closing Date is subject to limitation on its use pursuant to Section 382 of the Code or comparable provisions of state law as a result of any "ownership change" within the meaning of Section 382(g) of the Code occurring prior to the Closing Date.

(g) Section 2.8(g) of the Company Disclosure Schedule sets forth in reasonable detail the following information with respect to the Debtors as of the most recent practicable date: (i) the basis of the Debtors in their assets; (ii) the basis of the stockholder(s) of the Debtors (other than the Company) in its stock (or the amount of any "excess loss account"); (iii) the amount of any net operating loss, net capital loss, unused investment or other credit, unused foreign tax, or excess charitable contribution allocable to the Debtors; and (iv) the amount of any deferred gain or loss allocable to the Debtors arising out of any "deferred intercompany transaction."

(h) Neither the Parent nor the Company has been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(1)(A)(ii) of the Code.

II.9 Tangible Assets. The Debtors own or lease all tangible assets necessary for the conduct of their respective businesses as presently conducted. Each such tangible asset is free from material defects, has been maintained in accordance with normal industry practice, is in good operating condition and repair (subject to normal wear and tear) and is suitable for the purposes for which it is presently used, other than where the failures or defects would not in the aggregate have a Debtor Material Adverse Effect.

II.10 Owned Real Property. The Company has previously made available to the Buyer a true and complete listing of all material real property that has been owned by the Debtors at any time on or after January 30, 1997 (other than the real property that the Debtors have agreed to sell pursuant to the Purchase Agreement dated as of July 7, 1998 among the Debtors and Pinnacle Towers Inc. ("Pinnacle") (as approved by order of the Bankruptcy Court entered on August 10, 1998, and as such agreement may be amended in accordance with the